GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1526
ANSWERED ON:04.03.2016
New Pension System
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to implement the NPS and if so, the details thereof;
(b) the progress made so far in this regard and number of employees opted for NPS rather than EPF; and
(c) the support being given by the Government to market the NPS better?

Answer

The Minister of State in the Ministry of Finance

(a) & (b) The Government of India has implemented the New Pension System, now called "National Pension System" (NPS), with effect from 1st January, 2004 through a notification dated the 22nd December, 2003 for new entrants to Central Government service, except the Armed Forces. The Government constituted an interim regulator, the Interim Pension Fund Regulatory and Development Authority (PFRDA) through a Government Resolution dated the 10th October, 2003 as a precursor to a statutory regulator. NPS is now administered and regulated by the statutory regulator called the Pension Fund Regulatory and Development Authority under the Pension Fund Regulatory and Development Authority Act, 2013, which came into effect from 1st February, 2014. An option to employees to opt for either EPF or NPS was announced in the Budget 2015-16. However, the legislative framework for providing the option to an employee to choose between Employee Provident Fund (EPF) and National Pension System (NPS) has not been laid down.
(c) Concerted media and advertisement campaign for spreading the awareness about NPS among the general public through print and electronic media is being undertaken with the Government support. In order to provide incentive to the subscribers under NPS, the Government in the Budget 2015-16, has provided an additional deduction of Rs. 50,000 in respect of contributions made by any individual assessees under NPS over and above the limit of deduction of Rs. 1, 50,000.
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